

SPECIAL COUNCIL RESOLUTION EXTRACT

(29 – 08 – 2016)

ITEM NO	RESOLUTION NO	DATE	ITEM	BACKGROUND	RESOLUTION
03	2452	29-08-2016	IDP and Budget Process Plan: 2017/2018 Financial Year	<p>Purpose</p> <p>To table IDP, PMS and Annual Budget Process Plan for 2017/2018 financial year for adoption in terms of Section 34 of the Local Government Municipal Systems Act No. 32 of 2000 and Local Government Municipal Finance Management Act No. 56 of 2003.</p> <p>Background</p> <p>Section 153 of the Constitution of the republic of South Africa states that a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and promote the social and economic development of the community. To give effect to this Constitutional obligation, Section 34 of the Local Government Municipal Systems Act No. 32 of 2000 states that a municipal council must review its Integrated Development Plan:</p> <ol style="list-style-type: none"> Annually in accordance with an assessment of its performance measurements in terms of Section 41, and 	<p>Council Resolves to:</p> <ul style="list-style-type: none"> Approve the IDP, PMS and Budget Process Plan for 2017/2018 financial year. Approve that IDR Structur

			<p>II. To the extent that changing circumstances so demand.</p> <p>Alignment and Integration</p> <p>I. The IDP, PMS and Annual Budget Process Plan has been aligned with the OR Tambo District Municipality's IDP Framework Plan for the same period. Concerted efforts have been made to avoid a clash of the programs.</p>	<p>es should develop a clear program of action to implement SDBIP Targets.</p> <ul style="list-style-type: none"> • Approve that any amendments to the process plan be dealt with in accordance
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Lazola Ndamase

Council Secretary

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ITEM NO	RESOLUTION NO	DATE	ITEM	BACKGROUND	RESOLUTION
02	2451	29-08-2016	DRAFT ANNUAL REPORT	<p>PURPOSE OF SUBMISSION</p> <p>That Council considers approving the draft Annual Report for 2015/2016 for the Nyandeni Local Municipality (NLM).</p> <p>BACKGROUND</p> <p>Included under separate cover, as Annexure "1", is a copy of the draft Annual Report for 2015/2016, and included as Annexure "1A" is the performance information which is an addendum of the Draft Annual Report</p> <p>The draft Annual Report for 2015/2016 is tabled in Council for adoption in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Systems Act).</p> <p>Section 121(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), stipulates that the purpose of an annual report is to provide a record of activities of municipality during the financial year, to provide a report on the performance against the budget for the financial year and to promote accountability to the local community for the decisions made</p>	<p>Council Resolves to:</p> <p>1) Adopt as a "draft" the Annual Report for 2015/2016 of the Nyandeni Local Municipality (NLM), attached</p>

			<p>throughout the year.</p> <ul style="list-style-type: none"> • All municipalities and municipal entities are required to prepare and submit their draft Annual Reports to the Auditor-General by 31 August each year 	<p>d as Annexure "A" to the agenda item.</p>
			<p>IMPLICATIONS</p>	
			<p>PERSONNEL</p>	<p>2) MPAC and the Audit Committee must interact with the report</p>
			<p>None</p>	
			<p>FINANCIAL</p>	
			<p>None</p>	
			<p>LEGAL</p>	
			<p>The preparation, tabling and adoption of the 2015/2016 Annual Report is done in terms of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) (Systems Act), quoted here-under for ease of reference:</p>	
			<p>46 Annual performance reports</p>	
			<p>(1) A municipality must prepare for each financial year a performance report</p>	
			<p>reflecting-</p>	
			<p>(a) the performance of the municipality and of each external service</p>	

			<p>provider</p> <p>during that financial year;</p> <p>(b) a comparison of the performances referred to in paragraph (a) with targets</p> <p>set for and performances in the previous financial year; and</p> <p>(c) measures taken to improve performance.</p> <p>(2) An annual performance report must form part of the municipality's annual report</p> <p>in terms of Chapter 12 of the Municipal Finance Management Act.</p> <p>[S. 46 substituted by s. 6 of Act 44 of 2003.]</p> <p>[Date of commencement of s. 46: 1 July 2001.]</p> <p>The draft annual report of municipalities is governed by Chapter 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). It is the statutory responsibility of the mayor to table the annual report in council for adoption within seven months after the end of the financial year. If the mayor fails in this responsibility the mayor must table in council written reasons for the failure and an explanation thereof.</p> <p>The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) provides a list of what the annual report must include:</p> <p>(a) The annual financial statements;</p>	
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				<p>(b) The Auditor General's audit report on the financial statements;</p> <p>(c) The annual performance report of the municipality prepared in terms of Section 46(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);</p> <p>(d) The Auditor General's audit report on the results of the performance measurements;</p> <p>(e) An assessment by the accounting officer of any arrears on municipal taxes and service charges and of the performance of the municipality against the measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget for the year;</p> <p>(f) Particulars of any corrective action to issues raised by the Auditor General;</p> <p>(g) Explanations that may be necessary to clarify issues in connection with the financial statements;</p> <p>(h) Recommendations by the audit committee, if any.</p>	
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ITEM NO	RESOLUTION NO	DATE	ITEM	BACKGROUND	RESOLUTION
01	2450	29-08-2016	ANNUAL FINANCIAL STATEMENTS (AFS) 2015-16	<p>Background</p> <p>Annual financial statements are developed on a yearly basis and submitted to the Auditor General by 31st August each year. We have developed such AFS for submission in line with the required standards.</p> <p>Purpose of the Report</p> <p>To present Annual Financial Statements for 2015/2016 financial year.</p> <p>Legal Framework.</p> <p>Section 122 of the MFMA prescribes that every municipality and every municipal entity must for each financial year prepare financial statements which –</p> <p>a. Fairly present the state of affairs of the municipality or entity, its performance against budget, its management of revenue, expenditure,</p>	<p>Council Resolves to:</p> <ul style="list-style-type: none"> Note the report on Financial Statement ents for 2015/2016, which

			<p>assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.</p> <p>b. Disclose the information required in terms of Section 123 and 125.</p> <p>Section 126 (1) of the MFMA provides that the accounting officer of a municipality –</p> <p>a. Must prepare the annual financial statements of the municipality and within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor General for auditing and</p> <p>Must in addition in the case of a municipality referred to in Section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor General for Auditing.</p>	<p>are work in progress.</p> <ul style="list-style-type: none"> • Approve that the work in progress may have adjustments which will be made and when it
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					becomes necessary, guided by the municipality engagement with Auditor General.
					<ul style="list-style-type: none">• Approve that the Account

